

**MINUTES OF REGULAR MEETING
ILLINOIS GAMING BOARD
November 4, 2005
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Friday, November 4, 2005 Regular Meeting of the Illinois Gaming Board (“Board”) was held in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle for closed session.

The following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, Joseph Moore, Eugene Winkler and James Sullivan.

The meeting convened at 9:40 A.M. Pursuant to Section 2(c), paragraphs (1), (11), and (14) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today’s agenda and relating to the following subject matters:**

- 1. Investigations concerning applicants and licensees;**
- 2. Pending litigation and matters involving probable litigation; and**
- 3. Personnel matters.**

Member Moore seconded the motion. The Board approved the motion unanimously by voice vote.

The Board convened its Open session at 1:35 P.M.

Chairman’s Report

Chairman Jaffe stated that he came aboard in late March of 2005, as did Member Winkler and Member Gardner. Chairman Jaffe stated that the Board was completed in July with the addition of Member Sullivan and Member Moore. Chairman Jaffe stated that the Board has had a chance to become acquainted and outline its goals as it relates to the Gaming Board. Chairman Jaffe announced that the Board would be announcing three changes in its Staff today.

Chairman Jaffe announced that the Board has appointed as the new and permanent Administrator, Mark Ostrowski. Chairman Jaffe stated that Mr. Ostrowski has been the Chief Legal Counsel for the Gaming Board for several years, and has been with the Gaming Board since 2001. Chairman Jaffe stated that Mr. Ostrowski has the complete support of the Board.

Chairman Jaffe announced Michael Fries as the new Chief Legal Counsel. Chairman Jaffe stated that the Board deems Mr. Fries to be the ace of the Board’s legal staff.

Chairman Jaffe announced Kathy Spain as the Deputy Administrator of Finance and Administration, who will operate out of the Board's Springfield office. Chairman Jaffe stated that Ms. Spain has been the Interim Deputy Administrator of Finance and Administration for some time now.

Chairman Jaffe stated that with regards to Jeannette Tamayo, she has a contract with the Board as an Attorney and she would return to that position.

Member Winkler moved that **Mark Ostrowski be appointed as the Administrator of the Illinois Gaming Board effective November 4, 2005.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

Administrator's Report

Administrator Ostrowski thanked the Board for the opportunity to be Administrator. Administrator Ostrowski stated that he looks forward to continuing the working relationship that he has had with Staff. Administrator Ostrowski stated that he looks forward to continue working with the members of the industry. Administrator Ostrowski stated that he will work hard to protect the integrity of gaming in Illinois.

Administrator Ostrowski announced that Jacqueline Bernaden, who oversaw the Audit Division and has been with the Gaming Board for ten years, retired on October 31, 2005. Administrator Ostrowski stated that Ms. Bernaden did an outstanding job and will be sorely missed by everyone.

Board Member's Comments

Member Gardner thanked Jeannette Tamayo for the work that she has done while serving as the Interim Administrator. Member Gardner stated that Ms. Tamayo worked very hard with a lot of effort and integrity. Member Gardner stated that he appreciates her service and will continue to appreciate it in her new position.

Member Winkler echoed Member Gardner's comments. Member Winkler stated that Ms. Tamayo has done an exceptional job under very difficult circumstances. Member Winkler stated that Ms. Tamayo is to be commended.

Chairman Jaffe announced that Luis Tigera, Deputy Administrator of Enforcement, would be attending a ceremony on Monday, November 7, 2005 to be promoted to Captain, which is the highest office under the Director of the Illinois State Police. Chairman Jaffe stated that the Board is very proud to have Mr. Tigera on staff at the Gaming Board.

Chairman Jaffe stated that all of the other major staff positions would remain as they are.

Approval of Minutes

Member Gardner moved that **the Board approve the closed session minutes of its Regular Meeting of May 24, 2005, Special Meeting of June 8, 2005, Regular Meeting of June 16, 2005, Regular Meeting of June 29, 2005, and the open session minutes of its Regular Meeting of May 24, 2005, Special Meeting of June 8, 2005, Regular Meeting of June 16, 2005 and Regular Meeting of June 29, 2005.** Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote.

Owner Licensee Items

Harrah's Joliet – License Renewal Investigation – Joe Dominico, General Manager of Harrah's Joliet was present on behalf of Harrah's Joliet to request initial consideration for license renewal. Mr. Dominico provided the Board with a PowerPoint presentation that outlined Harrah's Code of Commitment; revenues and taxes generated; capital investments in Illinois; economic support; operating ethics; community involvement; employee relief funds; participation in local and state associations; employee recognition; commitment to diversity; and Harrah's marketing activities.

Mr. Dominico provided the Board with a picture of Harrah's location in 1993 before Harrah's Casino Joliet was built, and a picture of the same location ten years later. Mr. Dominico stated that Joliet was an area in need of revitalization, and desperately needed an economic boost.

Mr. Dominico provided the Board with a brief PowerPoint presentation of state and local officials, who were unable to attend the meeting but wanted to express their support for the renewal of Harrah's license.

U.S. Army Captain Tonya Allen was present to discuss the significance that Harrah's Adopt-A-Platoon Program had on her life while stationed in Afghanistan.

Fred Keeton, Harrah's Entertainment Vice President & Chief Diversity Officer, was present to discuss Harrah's level of diversity from a corporate perspective.

Mayor Art Schultz, Mayor of Joliet, was present to express his support for the renewal of Harrah's license. Mayor Schultz discussed a ballpark for the handicapped and other projects that Harrah's Casino Joliet is funding from revenues generated.

John Mezera, Joliet City Manager, was present to express his support for the renewal of Harrah's license. Mr. Mezera discussed Harrah's capitol commitments to the City of Joliet. Brad Peterson, First Choice Limousine, was present to discuss the positive impact that Harrah's has had on his business, and his support for the renewal of Harrah's license.

Marilyn Dorris, Chief Development Officer of the Guardian Angel Home, was present to discuss Harrah's contributions to the Guardian Angel Home, and her support for the renewal of Harrah's license.

Ann Cooper, CEO, Community Nutrition Network, was present to discuss Harrah's support and contributions to the Meals on Wheels Foundation of Cook County, and her support for the renewal of Harrah's license.

Mr. Dominico stated that he represents a great property and a great organization. Mr. Dominico stated that he also recognizes that Harrah's is not perfect. Mr. Dominico stated that Harrah's faces the ongoing challenges as any business would in a dynamic environment. Mr. Dominico stated that what makes Harrah's different and unique is that it addresses issues openly, looks for continuous improvement, makes commitments that Harrah's stands behind, and takes a leadership position in addressing both popular and unpopular issues.

Mr. Dominico stated that Harrah's has submitted all documentation to Staff and the Board for consideration for receiving a four-year unconditional license.

Member Gardner inquired if Harrah's advances the money with its Tuition Reimbursement Program. Mr. Dominico stated that it is not the policy within Harrah's Entertainment.

Member Moore commended Mr. Dominico on addressing all areas of the Social Investment Strategy during his presentation.

Member Moore inquired if Harrah's supports primarily any Hispanic or Asian American organizations. Mr. Dominico stated that there are a number of groups that Harrah's supports. Mr. Dominico stated that he would have to go back through the list and provide Member Moore with that information.

Member Moore inquired if Harrah's has a donation budget. Mr. Dominico stated that Harrah's has one, which is typically between \$200 to \$300,000 dollars a year. Mr. Dominico stated that he would provide that documentation to Member Moore.

Des Plaines Development L.P. d/b/a Harrah's Joliet Casino & Hotel – Trisha Miller, Senior Internal Auditor – Level One – Tom Thanas, Attorney, was present on behalf of Trisha Miller to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Winkler moved that **the Board approve Trisha Miller as a Level 1 Occupational Licensee of Des Plaines Development L.P. d/b/a Harrah's Joliet Casino & Hotel.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

Par-A-Dice Gaming Corporation – Bryce Avery Warren, General Manager – Level One – Donna More, Attorney, and Bryce Avery Warren were present to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Moore moved that **the Board approve Bryce Avery Warren as a Level 1 Occupational Licensee of Par-A-Dice Gaming Corporation.** Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

Boyd Gaming Corporation – Michael John Gaughan, Part-Owner – Key Person - Donna More, Attorney, was present on behalf of Michael John Gaughan to request approval as a Key Person.

Based on a review of the staff's investigation and recommendation, Member Winkler moved that **the Board approve Michael John Gaughan as a Key Person of Boyd Gaming Corporation.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

Boyd Gaming Corporation – William S. Boyd – Estate Planning – Transfer of Shares to Samuel J. Boyd, Marianne E. Johnson, and William R. Boyd - Donna More, Attorney, was present on behalf of William S. Boyd to request final action for the transfer of Mr. Boyd's shares.

Please see the attached resolution.

Occupational Licenses Approvals & Denials

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board approve 43 applications for an Occupational License, Level 2, and 110 applications for an Occupational License, Level 3.** Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

Proposed Complaints and Disciplinary Actions

- Jeremy Whalen, Cage Cashier

Based on the staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Jeremy Whalen, a Level 3 Occupational Licensee, for failing to comply with the Illinois Riverboat Gambling Act and the Board's Adopted Rules in relation to his theft from his employer, Harrah's Metropolis Casino and his subsequent conviction for Felony Theft.**

Further, Member Sullivan moved that **the Board revoke Mr. Whalen's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote.

- Donna Carter, Slot Club Employee

Based on the staff's investigation and recommendation, Member Moore moved **that the Board issue a Disciplinary Complaint against Donna Carter, a Level 3 Occupational Licensee, for failing to comply with the Illinois Administrative Procedure Act, the Illinois Riverboat Gambling Act and the Board's Adopted Rules in relation to the her conviction for Retail Theft.**

Further, Member Moore moved that **the Board revoke Ms. Carter's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

Public Commentary

Kathy Gilroy was present to discuss the Board's Self-Exclusion Program. Ms. Gilroy discussed an article out of the "2001 Chance Magazine" regarding police facial recognition software that allows surveillance cameras to identify everyone who walks in the door and checks that person against databases that are shared by casinos throughout the U.S. and Europe. Ms. Gilroy stated that casinos have for quite some time been able to successfully exclude those that they wish to exclude. Ms. Gilroy stated that as it stands now, the casinos are allowing those who want to be excluded the opportunity to continue to gamble until they win at least \$1,200, and then they are identified. Ms. Gilroy stated that the Board has a duty to make sure that these people are excluded.

Ms. Gilroy expressed her concerns regarding the casinos hiring employees who are pending approval. Ms. Gilroy stated that approval should come first.

Member Gardner and Member Winker requested that Ms. Gilroy provide Staff with a source of the statistics that she provided during her presentation.

At 3:30 P.M. Member Winkler moved to adjourn. Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

Respectfully submitted,
Monica Thomas

Secretary to the Board

**RESOLUTION
PROPOSED CHANGE IN OWNERSHIP STRUCTURE**

Member Gardner offered the following resolution:

WHEREAS, William S. Boyd is an owner of Boyd Gaming Corporation;

WHEREAS, for estate planning purposes, William S. Boyd established four family limited partnerships, referred to herein as the BG Partnerships. The BG Partnerships were funded with shares of Boyd Gaming stock;

WHEREAS, the general partner of the BG Partnerships is WSB, Inc.;

WHEREAS, William S. Boyd owns 100 % of WSB, Inc.;

WHEREAS, Williams S. Boyd also set up three Grantor Retained Annuity Trusts which are also limited partners in the BG Partnerships;

WHEREAS, Williams S. Boyd is the trustee of each of the Grantor Retained Annuity Trusts that are limited partners in the BG Partnerships;

WHEREAS, for estate planning purposes, WSB, Inc. intends to resign as the general partner of each of the BG Partnerships;

WHEREAS, for estate planning purposes, William S. Boyd intends to resign as the trustee of each of the Grantor Retained Annuity Trusts that are limited partners in the BG Partnerships;

WHEREAS, the limited partners of the BG Partnerships intend to name Marianne Boyd Johnson as the new general partner of the BG Partnerships;

WHEREAS, Marianne Boyd Johnson will become the sole trustee of each of the Grantor Retained Annuity Trusts that are limited partners in the BG Partnerships;

WHEREAS, the proposed changes to the general partner of the BG Partnerships and the trustee of the Grantor Retained Annuity Trusts that are limited partners in the BG Partnerships transfer control over the BG Partnerships and the Grantor Retained Annuity Trusts to Marianne Boyd Johnson;

NOW, THEREFORE,

BE IT RESOLVED that the transfer of ownership and control to Marianne Boyd Johnson as the general partner of the BG Partnerships and the sole trustee of each of the Grantor Retained Annuity Trusts that are limited partners in the BG Partnerships is approved.

BE IT FURTHER RESOLVED that Marianne Boyd Johnson shall update her previously filed personal Disclosure Form 1 within 60 days or by January 3, 2006.

Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote.